



Iowa Renewable Fuels Association

GREEN Team

Grassroots RENEWABLE Energy Network

Newsletter for renewable fuels advocates

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Legislation Introduced to Promote Increased Production of Flex Fuel Vehicles

As chairman of an energy subcommittee in the new GOP-held House, **Rep. John Shimkus (R-IL)** has introduced a bill to assist the ethanol industry and to promote new technologies. If adopted, this new legislation would require that 50 percent of new cars be capable of operating on nonpetroleum fuels by 2014, 80 percent in 2016, and 95 percent by 2017.



Rep. John Shimkus

“Imagine a world in which you no longer drive up to a gas station, you drive up to a refilling station,” Shimkus said at a recent news conference. Shimkus’s legislation would mean that a fast increasing percentage of new autos would be warranted by automakers to operate on ethanol, natural gas, hydrogen, biodiesel, plug-in-electric drive and perhaps other technologies. He intends to arrange a hearing shortly in the Energy Committee, where he is among the most senior members.

Bob Dinneen, President and CEO of the Renewable Fuels Association, referred to the legislation as “a pro-consumer choice bill.”

No Fuel Tax Rate Change

Each year the **Iowa Department of Revenue** determines the ethanol blended gasoline tax rate based on the percentage of ethanol blended gasoline sold during the previous calendar year. During this last year, the percentage remained within the 70-75% range; this does not invoke a change in rate on July 1, 2011. All rates remain the same since July 1, 2008.

Ethanol Vote Triggers Reform Effort

Led by **Senator Tom Coburn (R-OK)** and 15 of his Senate colleagues, an amendment was recently introduced to end the ethanol tax credit immediately. As many know, money and politics go hand in hand. To see the Big Oil donations to each of these senators, click below.

[Gang of 16](#)

In a somewhat symbolic move, the Senate did vote to immediately repeal ethanol incentives. While the anti-ethanol amendment passed, the underlying bill is not expected to become law. Shortly after the vote, Sen. Coburn and Sen. **Dianne Feinstein (D-CA)** met with Senators **Amy Klobuchar (D-MN)** and **John Thune (R-SD)**, who had introduced the **Ethanol Reform and Deficit Reduction Act** legislation which intends to reform the ethanol incentives in a gradual fashion. If enacted, the Thune-Klobuchar bill would utilize savings from the ethanol tax credit reform to expand consumer fuel choice through improved tax policies for blender pumps and other ethanol infrastructure and to extend the tax credit for cellulosic ethanol.

Although this amendment passed, another anti-ethanol amendment to strip federal funding of blender pumps, presented by Senator **John McCain (R-AZ)** failed by a vote of 41-59 - a clear signal that the Senate is not simply walking away from America’s number one renewable fuel.

The **Renewable Fuels Association (RFA)** issued a statement concerning the amendment brought forth by Sen. McCain. “This vote signifies that an anti-ethanol wave in Congress isn’t swelling, but rather that all this attention on ethanol was little more than political posturing. Lawmakers must now pivot to fact-based, comprehensive discussions about diversifying America’s fuel markets and weakening the grip of OPEC and other nation’s over our economy and energy security.”

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Grand Opening

New Blender Pump!

Farmers Co-op Elevator Company
100 Eagle Street
Westside, IA 21467

June 24, 2011

8am – 5pm. Lunch from 11am to 2pm

Discounted Blended Fuels
E20, E30, E50, and E85

Biodiesel Industry Launches First Ever National Advertising Campaign

The U.S. biodiesel industry will soon be launching its largest-ever public outreach effort. The paid ad buy will raise awareness of the economic, environmental and national security benefits of the nation's first and only EPA-designated advanced biofuel to reach nationwide production.

The multi-million dollar project will include national television advertising, coupled with regional print and radio advertising as well as an online presence. The centerpiece of the education effort is a 30 second spot that will air across the nation on Sunday-morning network talk shows, beginning this Sunday, June 19th. The ads feature the tagline, "Biodiesel. America's Advanced Biofuel" and focus on biodiesel's viability here and now. The television spot highlights biodiesel use in the **Dallas** area to demonstrate the fuel's practical, common-sense appeal in communities across the country. View the television commercial here: www.AmericasAdvancedBiofuel.com.

"The public generally doesn't know that there is an advanced biofuel here now," said **Joe Jobe, CEO** of the **National Biodiesel Board (NBB)**, the industry trade association. "This is not some pipedream. Biodiesel today is fueling long-haul trucks from **Florida to California**, municipal buses in **Texas**, **Ford** pickups in **Detroit**, and Volkswagens in **New York City**."

"It's helping communities reduce air pollution while cutting greenhouse gas emissions that contribute to climate change," Jobe said. "It's creating jobs and economic growth while generating hundreds of millions of dollars in tax revenues. And it's reducing our heavy dependence on foreign oil, the single largest component of our massive national trade deficit.

Biodiesel is a renewable, clean-burning diesel replacement made from an increasingly diverse mix of resources such as agricultural oils,

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Senate Democrats also told Republicans that because they were willing to vote to repeal ethanol subsidies, they should be willing to give up big oil and gas subsidies too. **RFA President and CEO Bob Dinneen** agreed by saying, "Just like the taxpayer doesn't need to encourage a gasoline marketer at \$100 per barrel of oil to buy ethanol, the taxpayer shouldn't have to encourage Exxon to drill in the Gulf at \$100 a barrel. The market is already doing that."

Growth Energy CEO, Tom Buis added, "The Senate spoke in favor of offering consumers a choice at the pump. This is good news, because as Growth Energy has said over the last year, we need to reform access to the market, and the only way to do that is through Flex Fuel pumps. If we are ever going to break the hold that Big Oil has over American consumers, we have to offer a choice at the pump. That's what Flex Fuel pumps offer. Today we have more than 8 million Flex Fuel vehicles on the road, but only a little more than 2,000 Flex Fuel pumps in the ground."

The **American Coalition for Ethanol (ACE) Executive Vice President Brian Jennings** expressed his disappointment by stated, "While today's vote has no chance of becoming law, because it is part of an underlying bill that is unconstitutional and dead-on-arrival in the House of Representatives, it nonetheless is disappointing. If the amendment were to be enacted, it would raise gas prices and fuel taxes on American consumers, jeopardize U.S. jobs, put advanced biofuels in grave danger, and limit consumer fuel choice," Jennings said.

Advanced Ethanol Council (AEC) Executive Director, Brooke Coleman added, "We look forward to moving a proposal to the President's desk that expands the market for ethanol and expedites the commercialization of promising new ethanol technologies and fuels."

Senator Chuck Grassley wrote to President Obama, "These amendments won't lower the price of gasoline at the pump. These amendments won't lessen our dependence on foreign oil. They won't create a single job. They'll do exactly the opposite." While **Senator Tom Harkin** in also stated, "I recognize that we need to reform our biofuels policy. Let me be very clear about this: I am willing to reform the ethanol tax credit. Indeed, I am willing to end it altogether – if this action is coupled with urgently needed measures to increase access and improve infrastructure for our emerging biofuels industry. We need to redouble our national commitment to expanding use of renewable energy and weaning ourselves from imported oil."

recycled cooking oil and animal fats, with a host of potential future feedstocks such as algae under research. It is the first and only commercial-scale fuel being produced nationwide to meet the EPA's definition as an advanced biofuel under the agency's Renewable Fuel Program, which is aimed at spurring development of sustainable alternatives to oil.

The EPA has determined that biodiesel reduces Greenhouse gas emissions by 57 percent to 86 percent compared with petroleum diesel, depending on the feedstock used.

Biodiesel also has the highest energy balance of any domestic, liquid fuel, yielding 4 ½ units of energy for every unit of fossil energy it takes to produce it. The EPA also says biodiesel dramatically reduces nearly every toxic air pollutant compared with traditional diesel.

NBB worked with PCI Communications, a leading provider of creative communications services for Fortune 500 corporations, national associations, and federal agencies, to create the multi-media campaign.

Rep. Braley Heads Push for Gasoline Origin Labels

With high gasoline prices are on the minds of Americans now, costing nearly \$4 per gallon in parts of Iowa - **U.S. Rep. Bruce Braley, (D-IA)**, has resurrected a proposal to require all gasoline to be labeled by its country of origin. Former **NATO Commander Gen. Wesley Clark** joined Braley on a conference call Wednesday, pushing the legislation that would require the **Department of Energy** to conduct a study of the idea over the next year and implement recommendations. Clark, a co-chairman, **Growth Energy**, said foreign-produced oil acts as a tax on Americans and the money could be better put to use in the U.S. "Country of origin labeling lets the American people see where their fuel dollars are going," Clark said.

The convenience store and petroleum industries have both objected to the proposal, by saying fuel is mixed throughout the distribution process, making it impractical to label the fuel by individual countries. "Labeling dispenser pumps with country of origin data is nearly impossible and would provide very little benefit," said **Carlton Carroll**, a spokesman for the **American Petroleum Institute**. For more, [click here](#).

Khosla Criticizes Big Oil for no Biofuels Appetite

Billionaire **Vinod Khosla** took Big Oil to task recently for taking more risk on a long-odds deepwater oil well than on the future of biomass energy that he says will change the world within decades. The co-founder of **Sun Microsystems** recently said that the world is on the verge of a technological breakthrough in cost-effectively converting crops into most of the fuels and consumer products that petroleum now provides.

Speaking in front of **Royal-Dutch Shell** and **Britain's BP**, he abruptly stated, "It's not that oil companies don't take risks. They will sink tens of millions into drilling new deepwater oil wells, some 3,000 meters below the ocean floor, with only 25 percent chance of success. That is risk taking," he said. "But when it comes to biomass, they only jump in when the technology has been well proven."

The winners in his vision of the future world will be those who took the risks to invest in winning technologies, and those in possession of ample reserves of arable land to grow biomass crops, such as the United States and Brazil. He also said the coming technological breakthroughs could "actually create great risk for those companies like oil majors unwilling to take risks on new technologies at this point."

"Biomass is the future. Hydrocarbons will remain the fuel of choice but biomass will be the source," predicted Khosla. "The future is likely to hold cheaper hydrocarbons, cheaper than conventional ethanol, cheaper than petroleum and made from biomass." For the full article, [click here](#)

Grand Opening

New E85 Station!

Kum and Go
1293 8th street
West Des Moines, IA 50265

June 23, 2011
11 am – 1pm

E85 and Biodiesel with other Fuel Specials

Indy driver Marco Andretti will be signing autographs

America's Biodiesel Industry Supporting New Jobs, Household Income, Tax Revenues

The U.S. biodiesel industry will grow to support more than 74,000 jobs throughout the economy by 2015 while creating some \$4 billion in household income, according to a report by the National Biodiesel Board (NBB). The report also found that the industry will grow to generate nearly \$1.6 billion in local, state and federal tax revenues in 2015.

“This shows without question that a healthy and thriving biodiesel industry is good for America,” said Joe Jobe, CEO of NBB, the industry’s trade association. “Biodiesel isn’t just improving our environment and shoring up our energy security, it’s creating good-paying jobs in virtually every state in the country.”

The study, conducted by **Cardno ENTRIX**, an international consulting firm that specializes in environment and natural resources economics, documents the difficulties the industry faced when Congress allowed a key tax incentive to expire in 2010. It found that the expiration of the tax credit and the accompanying 42 percent drop in production resulted in the loss of nearly 8,900 jobs, a drop in household income of \$485 million, and a reduction in real GDP of \$879 million.

But the industry is seeing a sharp turnaround this year with the tax credit reinstated and the supporting regulatory framework of the EPA’s 2010 Renewable Fuel Standard, which designated biodiesel as an advanced biofuel. Production jumped 69 percent in January of this year and has been steadily climbing since. The study predicts the industry will support more than 31,000 jobs in 2011, generate income of nearly \$1.7 billion to be circulated throughout the economy, and create more than \$3 billion in GDP. Under projected expansion by 2015, that economic impact would grow even further to supporting more than 74,000 jobs, \$4 billion in income, and some \$7.3 billion in GDP. [NBB Grassroots](#)

“At a time when the federal government is looking for answers on how to jumpstart the economy, these numbers make clear that the federal policies supporting biodiesel are paying off,” Jobe said. “Since the EPA designated us as an advanced biofuel last year and Congress reinstated our tax incentive in December, the market has responded with incredible quickness. Plants across the country are reopening and ramping up production. This means new jobs in all sorts of sectors – manufacturing, transportation, agriculture, sales. It means plants are hiring, buying supplies and machinery, and circulating money throughout the economy.”



“The numbers also show what happens when those incentives weren’t there in 2010.” Jobe said. “They demonstrate what we’ve been saying, that biodiesel is still a young industry. We’re trying to gain a foothold in a business that is and always has been dominated by fossil fuels, and breaking into that business is extraordinarily difficult.”

The study's release comes as NBB is holding its annual membership meeting this week in **Washington, DC**. NBB members, representing all facets of the biodiesel industry, will be promoting key policy initiatives on Capitol Hill, including an extension of the biodiesel tax incentive and stability in the EPA's Renewable Fuel Standard.

Biodiesel is America’s first advanced biofuel – a renewable, clean-burning diesel replacement that can be used in existing diesel engines and meets strict specifications of **ASTM D6751**. Made from an increasingly diverse mix of resources such as agricultural oils, recycled cooking oil and animal fats, it is the only nationwide, commercial-scale fuel to meet the Environmental Protection Agency's definition as an advanced biofuel.

Member Profile



ERI Solutions, Inc

ERI Solutions Inc. is the industry leader in safety and insurance services to ethanol producers throughout the US and Canada. Founded in 2003, ERI developed a re-insurance company and portfolio of safety program/services exclusively for use by ethanol production facilities. ERI currently provides services to over 75 operating facilities accounting for roughly 4.3 billion gallons of production. ERI’s mission is to help ensure ethanol facilities are designed, operated and maintained at a high standard and ensure they benefit from their efforts.

<http://www.erisolutions.com/>